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New Target store to replace **Mervyn's** at SeaTac mall SEATTLE — About 150 employees at **Mervyn's** at SeaTac Mall in Federal Way were told yesterday that the store would close Jan. 5.

The store will be razed to make way for a bigger Target to replace the Target store on nearby South 314th Street. The new store is expected to open next October, and the existing Target will stay open until then. Both chains are owned by Minneapolis-based Target Corp.

Store employees were offered information about jobs at other local Target and **Mervyn's** stores. Those who aren't placed will receive severance pay, said Greg Terk, spokesman for Hayward, Calif.-based **Mervyn's**.

Target Corp. made the change so it could offer a wider range of merchandise to customers, Terk said, and was not based on store performance.

Talisma's future mired in merger math BELLEVUE — Kirkland-based Talisma's fate is up in the air as a plan to merge it with Vancouver, B.C.-based Pivotal is threatened once again.

Palo Alto, Calif.-based Oak Investment Partners, which is heavily invested in Talisma, offered up to $48 million to buy Pivotal, take it private and merge it with Talisma. Subsequent offers were made by Bellevue-based Onyx Software and CDC Software, a subsidiary of Hong Kong-based chinadotcom. Both were rejected by a special committee of Pivotal's board until CDC removed some of the conditions on its bid of about $57 million, offered in either cash or cash and stock, prompting Pivotal to take another look, the company said yesterday.

Oak has until Thursday to respond to CDC's offer. If the venture-capital firm makes an equal or superior offer, the Pivotal committee will again evaluate which offer is superior before recommending one to its shareholders, who will vote Monday. Talisma, Pivotal and Onyx develop software that helps companies manage their relationship with customers.

Everett bank offers 5-for-4 stock split SEATTLE — Cascade Bank announced a 5-for-4 stock split yesterday, increasing the liquidity of the Everett-based lender's stock.

Shareholders will receive 25 more shares of common stock for every 100 shares they own, the bank said in a statement. Cascade will have about 8.3 million shares after the change on Dec. 19, compared with 6.6 million now.

Cascade's profit rose 20 percent in the first nine months of the year. After yesterday's announcement, shares rose $1.33, or 6 percent, to $23.12, a 52-week high.

Dallas chip maker unloads last of Micron stock SAN FRANCISCO — Texas Instruments said yesterday that it sold its remaining stake in Micron Technology, which will add $125 million to its fourth-quarter profit.

The Dallas company sold 29.1 million shares in Boise-based Micron, in addition to the 3.2 million it sold late last month. Texas Instruments is the world's biggest maker of chips used to power mobile phones. Micron is the world's second-largest maker of computer-memory chips.

Texas Instruments sold the shares to "fully realize tax benefits which would have expired at the end of this year," said Chris Rongone, a company spokeswoman. Texas Instruments got $12.725 a share after offering a discount to make a block sale, Rongone said. Micron stock closed at $13.05 yesterday, up 34 percent this year. Texas Instruments acquired the Micron shares in 1998 when it sold its memory-chip operations to Micron.

Video superstore chain trims profit forecast SAN FRANCISCO — Hollywood Entertainment, owner of the Hollywood Video store chain, lowered its forecast for fourth-quarter profit to 38 cents to 40 cents a share

because of lower-than-anticipated rental revenue.

The Wilsonville, Ore.-based company had earlier forecast earnings of at least 47 cents a share. The news, released after the close of regular stock-market trading, pushed Hollywood Entertainment's shares down $1.19, or 8.4 percent, to $12.90 in after-hours trading.

The company, which has more than 1,880 video superstores, said rental revenue dropped off during the U.S. Major League Baseball divisional series playoffs.

Nation/World

DaimlerChrysler accused of fraud during merger WILMINGTON, Del. — Executives from Daimler-Benz engaged in "plain, old-fashioned fraud" during merger talks with Chrysler five years ago, an attorney representing billionaire investor Kirk Kerkorian told a federal judge yesterday.

"Because of the lies, defendants were able to take over Chrysler, drive out the senior leaders at Chrysler and replace them with Daimler executives from Germany," Terry Christensen, who represents Kerkorian's Tracinda, said during opening arguments in U.S. District Court.

Yesterday marked the first day of a trial that is the culmination of a three-year battle between Tracinda and German-American automaker DaimlerChrysler.

McCaw quits Nextel board earlier than planned SAN FRANCISCO — Nextel Communications, the fifth-biggest U.S. mobile-phone carrier, said billionaire Craig McCaw resigned from the board as of yesterday, enabling Nextel to add independent directors and allowing him to pursue new ventures.

McCaw had been a director of Reston, Va.-based Nextel since 1995, when he agreed to invest more than $1 billion in the wireless carrier.

The 54-year-old McCaw is leaving five months earlier than planned after reducing his role at Nextel in recent months. He cut his stake to less than 5 percent this year from 10 percent in 2001, forfeiting his right to three board seats as well as oversight of the committee that names the chief executive.

Levi Strauss replaces CFO, hires turnaround specialist SAN FRANCISCO — Levi Strauss is replacing its chief financial officer with a specialist from a troubleshooting firm as its turnaround efforts continue to falter.

Having just completed its seventh consecutive year of declining sales, Levi's decided it need the help of an outsider — Alvarez & Marsal, a New York-based consultant that has counseled dozens of struggling companies during the past 20 years.

The firm's co-founder, Tony Alvarez, recently revamped Warnaco, the maker of Calvin Klein jeans and other apparel. Alvarez became Warnaco's CEO after the company went bankrupt in 2001. He left Warnaco after guiding the New York company out of bankruptcy earlier this year.

Putnam assets down again, but decline slows BOSTON — Assets under management at Putnam Investments fell an additional $2 billion last week to $245 billion, the Boston-based mutual fund company's parent company disclosed yesterday.

The decline appeared to show a slowing of fund outflows from Putnam, the first fund company formally accused of wrongdoing in the market-timing scandal, though last week included the Thanksgiving holiday. Putnam's assets had declined $9 billion the week before, and $7 billion the week before that. Altogether, Putnam's assets are down $32 billion since the scandal broke.

The figure was disclosed in updated information about Putnam provided on the Web site of parent firm Marsh & McLennan.

Marsh & McLennan has indicated it would stop reporting Putnam's asset figures weekly and disclose them monthly instead, but the first monthly report came exactly a week after the last disclosure.

Compiled from Seattle Times business staff, Bloomberg News, Reuters and The Associated Press.

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